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Markets, Inc., Citibank Japan Ltd., Citigroup Pty Limited,
Banco Nacional de Mexico SA, Citibank International plc,
Bank Handlowy W Warszawie SA, Citibank AS, Citibank
del Peru SA, Citibank Europe plc, Citibank Maghreb, and
ZAO KB Citibank

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

LEHMAN BROTHERS INC.,

Debtor.

Case No. 08-01420 (JMP) SIPA

**DECLARATION OF STEPHEN J. SHIMSHAK IN SUPPORT OF MOTION OF
CITIBANK, N.A. AND CERTAIN AFFILIATES FOR THE ENTRY OF AN ORDER
PURSUANT TO 11 U.S.C. §§ 362(b)(6), 362(b)(7), 362(b)(17), 362(o), 555, 559, 560
AND 15 U.S.C. §§ 78eee(b)(2)(C), 78fff(b) AUTHORIZING EXERCISE OF
CERTAIN CONTRACTUAL, COMMON LAW, AND STATUTORY RIGHTS IN
RESPECT OF AMOUNTS CLAIMED BY LBI AND OTHER RELATED RELIEF**

Stephen J. Shimshak declares, pursuant to 28 U.S.C. § 1746, as follows:

1. I am a member of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to Citibank, N.A. and its affiliates Citigroup Global Markets Inc., Citibank Japan Ltd., Citigroup Pty Limited, Banco Nacional de Mexico SA, Citibank International plc, Bank Handlowy W Warszawie SA, Citibank AS, Citibank del Peru SA, Citibank Europe plc, Citibank Maghreb and ZAO KB Citibank.

2. Attached hereto, at the tabs indicated below, are true and correct copies of the following documents referenced in the Motion of Citibank, N.A. and Certain Affiliates for

the Entry of an Order Pursuant to 11 U.S.C. §§ 362(b)(6), 362(b)(7), 362(b)(17), 362(o), 555, 559, 560 and 15 U.S.C. §§ 78eee(b)(2)(C), 78fff(b), Authorizing Exercise of Certain Contractual, Common Law, and Statutory Rights in Respect of Amounts Claimed by LBI and Other Related Relief:

- Exhibit 1 Complaint and Application of the Securities Investor Protection Corporation, *Securities Investor Protection Corp. v. Lehman Brothers Inc.*, No. 08-08119 (GEL) (S.D.N.Y.), dated September 19, 2008 [Docket No. 1].
- Exhibit 2 Order Commencing Liquidation, *Securities Investor Protection Corp. v. Lehman Brothers Inc.*, No. 08-08119 (GEL) (S.D.N.Y.), dated September 19, 2008 [Docket No. 3].
- Exhibit 3 Agreement Regarding Lehman Brothers Inc. Accounts at Citibank, N.A. between James W. Giddens, as trustee for the SIPA liquidation of Lehman Brothers Inc. and Citibank, N.A., dated October 21, 2008.
- Exhibit 4 Stipulation and Order Authorizing (1) the Turnover of Amounts from Certain LBI Deposit Accounts, (2) the Continuation of An Administrative Hold on Certain LBI Deposit Accounts, and (3) the Provisional Allowance of Superpriority Administrative Claims in Favor of Citigroup, Inc. and Its Affiliates and Subsidiaries, *In re Lehman Brothers Inc.*, No. 08-01420 (JMP) SIPA (Bankr. S.D.N.Y.), entered December 31, 2008 [Docket No. 487].
- Exhibit 5 Complaint, *Lehman Brothers Inc. v. Citibank, N.A., et al.*, Adv. Proc. No. 11-01681 (JMP) (Bankr. S.D.N.Y.), dated March 18, 2011.
- Exhibit 6 Proof of Claim of Citibank, N.A., filed May 24, 2011 (amending Proof of Claim No. 5383, filed May 30, 2009), *In re Lehman Brothers Inc.*, No. 08-01420 (JMP) SIPA (Bankr. S.D.N.Y.), with financial-account numbers redacted pursuant to Fed. R. Bankr. P. 9037.
- Exhibit 7 Proof of Claim of Citigroup Global Markets, Inc., filed May 24, 2011 (amending Proof of Claim No. 5382, filed May 30, 2009), *In re Lehman Brothers Inc.*, No. 08-01420 (JMP) SIPA (Bankr. S.D.N.Y.), with financial account numbers redacted pursuant to Fed. R. Bankr. P. 9037.

- Exhibit 8 Proof of Claim No. 4999 of Citibank Japan Ltd., filed May 30, 2009, *In re Lehman Brothers Inc.*, No. 08-01420 (JMP) SIPA (Bankr. S.D.N.Y.).
- Exhibit 9 Draft ISDA Master Agreement between Lehman Brothers Inc. and Citibank Japan Ltd., dated July 4, 2008.
- Exhibit 10 Citibank CLS Settlement Services Amended and Restated Agreement for CLS User Members between Citibank, N.A. and Lehman Brothers Inc., dated October 28, 2004.
- Exhibit 11 CLS Bank International Rules, dated May 15, 2008.
- Exhibit 12 Letter Agreement Between Citibank, N.A. and Lehman Brothers Inc., dated September 15, 2008.
- Exhibit 13 Letter Agreement Between Citibank, N.A. and Lehman Brothers Inc., dated September 16, 2008.
- Exhibit 14 Pledge Agreement between Barclays Bank plc and Citibank, N.A., dated September 17, 2008.
- Exhibit 15 Letter from Citibank, N.A. to Lehman Brothers Inc., dated September 17, 2008.
- Exhibit 16 Direct Custody Agreement between Citibank, N.A. and its Subsidiaries and Affiliates and Shearson Lehman Brothers Inc., dated March 24, 1992, as amended by the Deed dated September 12, 2008.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: New York, New York
May 26, 2011

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

By: /s/ Stephen J. Shimshak
Stephen J. Shimshak